



South Carolina Commission on Higher Education

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Mr. Gary S. Glenn
Interim Executive Director

TO: Mr. Tim Hofferth, Chair and Members of the Commission on Higher Education
FROM: Mr. Hood Temple, Chair and Members of the Committee on Finance & Facilities
SUBJECT: Committee Meeting, December 3, 2015
DATE: November 24, 2015

Attached are items for your review and consideration at the December 3 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these items but is scheduled to review and develop recommendations at its meeting scheduled for 9:30 a.m. on December 3. The Committee will bring its recommendations to the Commission for consideration at the Commission meeting. Staff recommendations are included for your information.

If you have any questions about a particular item, or if you need additional information, please contact Gary Glenn at (803) 737-2155.

Enclosures

CHE MEETING MATERIALS
COMMITTEE ON FINANCE & FACILITIES
DECEMBER 3, 2015
10:30 A.M.
MAIN CONFERENCE ROOM
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

7.05A. Interim Capital Projects

1. Medical University of South Carolina
 - a. Clinical Sciences Building Roof Replacement
-Establish Project
2. Clemson University
 - a. Emerging Technology (ETC 103) Building Acquisition
- Establish Budget

7.05 B. Lease Approvals

1. Clemson University
 - a. Computing and Information Technology (CCIT)
-New Lease
 - b. Design Center in Charleston
-New Lease

7.05C. Other Business *(For Information, No Action Required)*

1. List of Capital Projects & Leases Processed by Staff for November, 2015

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

December 3, 2015

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Clinical Science Building Roof Replacement
REQUESTED ACTION: Establish Project – Phase II
REQUESTED ACTION AMOUNT: \$1,400,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Land/ Building Purchase)</u>	<u>Total Proposed Budget</u>
Indirect Recovery Cost	\$0	\$1,400,000	\$1,400,000
<i>Total</i>	\$0	\$1,400,000	\$1,400,000

DESCRIPTION:

The University requests approval to replace the roof of the Clinical Sciences Building and proceed with construction. This roof is 20 plus years old, beyond its useful life, and in poor condition. It has been recommended for immediate replacement by MUSC's waterproofing consultant.

This project was initiated in FY 2015 as a non-PIP based on a cost estimate from MUSC's waterproofing consultant. This project was designed and has now been bid twice. It is now clear that it is over the non-PIP threshold.

E&G MAINTENANCE NEEDS:

N/A

ANNUAL OPERATING COSTS/SAVINGS:

N/A

RECOMMENDATION:

Staff recommends approval of this project as proposed.

CLEMSON UNIVERSITY

PROJECT NAME: Emerging Technology (ETC 103) Building Acquisition
REQUESTED ACTION: Establish Budget – Phase II
REQUESTED ACTION AMOUNT: \$1,675,000
INITIAL CHE APPROVAL DATE: July 2, 2015

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Land/ Building Purchase)</u>	<u>Total Proposed Budget</u>
Self-Generated Revenues	\$25,000	\$0	\$25,000
Self-Generated Revenues	\$0	\$1,675,000	\$1,675,000
<i>Total</i>	<i>\$25,000</i>	<i>\$1,675,000</i>	<i>\$1,700,000</i>

DESCRIPTION:

The University requests approval to finalize the acquisition of property by acquiring a 49,380 square foot office warehouse facility on 6.94 acres of land at the Clemson Research Park in Anderson. The property is owned by the Clemson University Research Foundation (CURF) and will be acquired for continued use as an off-campus storage site for the Clemson libraries, for other Clemson units needing permanent storage space for records and materials, and for offices for staff associated with the monitoring and access of the space. The Phase II budget will fund the acquisition of the property by Clemson.

Clemson currently leases this facility from the Clemson University Research Foundation for off-campus storage and related offices. The facility is used for the University's Library Depot which houses the University Records Center, libraries' off-site shelving, technical services, collection management unit, and digital imaging labs. Clemson currently leases the building and, by acquiring the facility, would save on the lease payments to CURF. The property has been appraised for \$2,170,000 and will be acquired for the amount of the remaining balance on CURF's loan amortization schedule at the time of purchase.

E&G MAINTENANCE NEEDS:

N/A

ANNUAL OPERATING COSTS/SAVINGS:

No additional annual operating costs will result from the acquisition as Clemson currently pays all operating and maintenance costs as part of its lease with CURF for the Facility. Annual lease savings of \$90,000 will result from acquisition of the property.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

CLEMSON UNIVERSITY

PROJECT NAME: Clemson Computing and Information Technology (CCIT)
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$1,680,000
INITIAL CHE APPROVAL DATE: N/A

DESCRIPTION:

The College requests approval to lease 24,000 square feet of space in Greenville, located at 1 Research Drive, for the Clemson Computing and Information Technology (CCIT) staff. The lease will allow CCIT to accommodate growth of its Medicaid IT Services staff by providing office cubicle, meeting and training space in Greenville. This staff provides support for applications programming for university systems and for contracts with the SC Department of Health and Human Services relating to Medicaid. CCIT currently occupies approximately 5,000 square feet of space which has become inadequate in size and functionality.

The lease was procured through a lease solicitation conducted by the General Services Division of the Department of Administration which returned only one viable space to meet the needs of the Clemson CCIT group.

The lease term is July 1, 2016-June 30, 2019. The total lease cost for the initial term is \$1,680,000. The renewal option is one, three year option to renew.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Department of Administration.

CLEMSON UNIVERSITY

PROJECT NAME: Clemson Design Center in Charleston
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$5,297,981.76

DESCRIPTION:

The College requests approval to lease 29,528 square feet of space in Charleston, located at 701 East Bay Street, Suite 200, for the Clemson Design Center, a part of the College of Architecture, Arts and Humanities. The lease will allow the college to consolidate the Clemson Design Center's office, lab, classroom, and shop space in downtown Charleston.

The Clemson Design Center, comprised of the Clemson Architecture Center and the Master in Historic Preservation program, is currently housed in three separate locations in Charleston, which have become inadequate in size and functionality. In order to meet the center's existing needs and planned growth, a single facility housing both programs and shop space is needed. Combining the programs in one location will allow for collaboration, synergy, and student engagement between the programs.

The lease was procured through a lease solicitation conducted by the General Services Division of the Department of Administration which returned two possible options. The space selected provided the right square footage, least amount of risk, and was less costly over the term.

Source of funds include revenue generated from architecture, design, and related programs utilizing the space, along with other associated activities.

The lease term is July 1, 2016-June 30, 2021. The total cost of the initial term is \$5,297,981.76. The renewal option is one, five year option to renew.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Department of Administration.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff

November 2015

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Maintenance Needs Projects using FY 2014-15 Lottery Allocation and Match								
11/2/2015	New	MUSC	2015-16 Maintenance Needs ²	establish project	\$0	\$745,807.44	11/2/2015	-
Routine Staff Approvals								
11/2/2015	New	Denmark Tech	Renovation of Building # 200 and Building # 300 ¹	establish project	\$0	\$1,400,000	11/2/2015	-
11/2/2015	New	Winthrop University	Withers Roof ²	establish project	\$0	\$2,000,000	11/2/2015	-
11/3/2015	6111	York Technical College	Trimnal Lane Land Acquisition	increase budget	\$210,000	\$230,000	11/3/2015	-
11/3/2015	6083	Greenville Tech	Greenville-Enterprise Campus Development	increase budget	\$1,606,000	\$24,570,679	11/3/2015	-
11/3/2015	New	Piedmont Tech	Piedmont Laurens Advance Manufacturing Center Renovations and Construction-III ¹	establish project	\$0	\$1,500,000	11/3/2015	-
11/6/2015	New	Northeastern Tech	Industrial Training Center Renovations & Expansion (Bennettsville & Pageland) ¹	establish project	\$0	\$1,500,000	11/6/2015	-
Close-Outs								
11/4/2015	9556	Coastal Carolina University	Swain Science Building Annex	decrease budget, close project	(\$172,638)	\$14,824,362	8/16/2008	-
¹ Project is funded with Capital Reserve Funds for FY 2014-15. These funds supersede CHE approval authority; therefore, the project is staff approved. ² See supporting narrative.								

Leases Processed by Staff

November 2015

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: 2015-16 Maintenance Needs
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$745,807.44
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I</u> (Pre-Design)	<u>Phase II</u> (Land/ Building <u>Purchase)</u>	<u>Total Proposed</u> <u>Budget</u>
2015-16 Lottery Funds	\$0	\$372,903.72	\$372,903.72
Engineering & Facilities Operating Fund	\$0	\$372,903.72	\$372,903.72
<i>Total</i>	<i>\$0</i>	<i>\$745,807.44</i>	<i>\$745,807.44</i>

DESCRIPTION:

This project will replace four air cooled chillers at the Children's Research Institute, College of Health Professions Building A, and the Storm Eye Institute. The existing chillers are beyond their useful life, have constant maintenance issues, and are not energy efficient. New chillers will be installed in their place. Funding is 50/50 split between state appropriations and MUSC match from Engineering & Facilities Operation Funds.

E&G MAINTENANCE NEEDS:

N/A

ANNUAL OPERATING COSTS/SAVINGS:

N/A

RECOMMENDATION:

Staff recommends approval of this project as proposed.